



Congressman Chet Edwards Answers Your Questions About the Proposed Changes to Social Security.



"I have put together this guide to answer some questions you may have about the proposed plans to partially privatize Social Security. On the surface, private Social Security accounts may sound like a good idea, but in reality, the costs fall squarely on the shoulders of younger Americans."

- Chet Edwards



Would private accounts solve Social Security's long-term challenges?

No. Private accounts actually make Social Security's problems worse because they would take money away from the Social Security Trust Fund, forcing it to tap into its reserves earlier.



Would we have to increase our debt in order to pay for private accounts?

Yes. Private accounts would divert money away from the Social Security Trust Fund. So in order to pay benefits to current retirees and have enough money to set up private accounts, the government would need to borrow nearly \$5 trillion over 20 years, mostly from foreign countries. That means that workers in their 20s and 30s would have to pay off this massive debt with higher taxes in the future. *In short, the cost of this plan would fall squarely on your shoulders.*



Is it true that my benefits would be cut?

Yes. Under the proposed plan, guaranteed benefits for people who are currently under the age of 55 would be cut, even if you don't choose a private account. The younger you are, the deeper your benefits would be cut, with cuts eventually reaching more than 40%. In fact, a 20-year-old who enters the workforce this year would lose \$152,000 in Social Security benefits under the privatization plan. And private accounts would not make up for the cut, because the plan imposes a privatization tax. On average, for every dollar you have in your investment account, the plan would deduct about 70 cents from your Social Security check.



OK, but I thought Social Security is going bankrupt. Isn't something better than nothing?

We have time to come up with a bipartisan solution that will strengthen the Social Security system for generations to come. The Social Security Trust Fund has accumulated more than \$1.7 trillion in reserves. According to the Congressional Budget Office, even if no changes are made, Social Security will be able to pay full benefits for almost 50 years, and nearly 80% thereafter. Privatization would cause a deeper cut in benefits earlier. Instead, Democrats want to follow the bipartisan example set by Republican President Ronald Reagan and Democratic Speaker of the House Thomas P. "Tip" O'Neill who worked together in 1983 to secure Social Security for 60 years.

To Share Your Concerns About Social Security, Contact Congressman Edwards's Office Today.

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